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TO RUEHC/SECSTATE WASHDC IMMEDIATE 4212  
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RUEHBY/AMEMBASSY CANBERRA PRIORITY 4463  
RUEHLO/AMEMBASSY LONDON PRIORITY 0201  
RUEHUL/AMEMBASSY SEOUL PRIORITY 8494  
RUEHGP/AMEMBASSY SINGAPORE PRIORITY 6826  
RUEHTC/AMEMBASSY THE HAGUE PRIORITY 0317  
RUEHKO/AMEMBASSY TOKYO PRIORITY 8524  
RUEHTRO/AMEMBASSY TRIPOLI PRIORITY 0009  
RUEHGZ/AMCONSUL GUANGZHOU PRIORITY 0026  
RUEHHK/AMCONSUL HONG KONG PRIORITY 7641  
RUEHOK/AMCONSUL OSAKA KOBE PRIORITY 0421  
RUEHGH/AMCONSUL SHANGHAI PRIORITY 0847  
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY  
RUCPDOC/DEPT OF COMMERCE WASHINGTON DC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
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S E C R E T SECTION 01 OF 02 TAIPEI 000422

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STATE FOR EAP/TC AND ISN/MTR

E.O. 12958: DECL: 02/16/2027  
TAGS: [ETTC](#) [PARM](#) [KNNP](#) [NK](#) [TW](#)  
SUBJECT: MTAG: TAIWAN EXCON (RETRANS FROM 2/14)

REF: A. STATE 17104  
[B.](#) STATE 17021  
[C.](#) TAIPEI 307  
[D.](#) TAIPEI 129  
[E.](#) 06 TAIPEI 685  
[F.](#) SEOUL 414  
[G.](#) TOKYO 655

Classified By: AIT Econ Chief Daniel K. Moore, 1.4 B/C

[11.](#) (S) Summary: AIT Econ delivered ref A export license recommendations to Bureau of Foreign Trade (BOFT) export control task force head Wally Su (Shi-hwa) on February 13. During the meeting, Su noted a problem with the scheduled dates for the next EXBS training (ref B) and asked if the training could be postponed until March 20-22. Su said that earlier on February 13 BOFT had issued the press release referred to in ref C. He also described Taiwan's participation in a recent international export control seminar in Tokyo. AIT continued to press Taiwan to ban the export of luxury items to North Korea. End summary.

Taiwan Invited to Attend WCO Meeting on SAFE

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[12.](#) (S) In response to ref B proposal to conduct an EXBS training workshop in Taipei on March 13-15, BOFT's Wally Su explained that he had been instructed to attend a World Customs Organization (WCO) conference on SAFE in Brussels on March 12-14 that would discuss the link between the WCO SAFE Framework of Standards to Secure and Facilitate Global Trade and the Revised Kyoto Convention. Su said the invitation had been transmitted from the WCO in Brussels to the Taiwan (Chinese Taipei) WTO representative in Geneva. (Note: Taiwan is not a member of the WCO and previously has not been allowed to attend WCO meetings. AIT is unsure if this invitation was sent by mistake or is something arranged by U.S. agencies in response to Taiwan requests for assistance in participating in SAFE (ref D). In either case, it will be a breakthrough if a Taiwan representative is actually allowed to participate in a WCO meeting. End note.) Su suggested

the EXBS training be re-scheduled for March 20-22. He also again asked why the "Risk Targeting" course had been replaced by the "PLC/PVS" course without prior consultation.

BOFT Makes Public Warning to Local Companies

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¶ 13. (S) During the meeting, Su said that a BOFT press release on export control violations (mentioned in ref C) had been issued at a press conference earlier on February 13. The press release is posted on the BOFT website at <http://cweb.trade.gov.tw/>. Local and international media described the press conference as warning local companies of the penalties for failure to comply with new regulations on exports to North Korea and Iran and quoted BOFT Deputy Director General James Wu as saying "We have had a few cases recently where customs officials have caught sensitive products that were to be exported, and told the companies that they needed to gain permission to export such items to these countries. None of those items got past customs." Su said that BOFT was planning to hold another 3-5 outreach events for industry in coming weeks and this time would instruct companies to send high-level officials so they could not use the excuse that upper levels of company management had not heard of the new export license requirements.

Review Panel Upholds Suspension, Rejects Company Protest

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¶ 14. (S) BOFT Wally Su explained that over the past six months Taiwan Customs had stopped nine separate shipments (in ref C

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he told us there were 11 shipments) of items on the Sensitive Commodities List (SCL) bound for Iran or North Korea because the shipments lacked an export license. BOFT had done a preliminary investigation of these cases, and then forwarded them to the Ministry of Justice Investigation Bureau (MJIB) for further investigation and legal action. Su said BOFT had administratively penalized each of the companies involved with a one month suspension of their exporting privileges. One company formally protested the suspension and claimed that no violation had occurred since items were stopped before they were exported. A review panel consisting of officials, lawyers, and industry association representatives in early February upheld the BOFT decision to suspend export privileges.

MJIB Conducts Another Disappointing Investigation

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¶ 15. (S) Su said BOFT had received the first investigation result from MJIB on these nine cases on February 12. The MJIB investigation result consisted of a brief very statement that MJIB had contacted the shipping agent and customs broker in the case and had determined that the failure to apply for an export license was "unintentional" and therefore the case would not/not be forwarded to the Prosecutors' Office for further action. Su said he was disappointed in the MJIB response, and unsure what MJIB meant in saying the violation was "unintentional." He said he would keep AIT informed of further MJIB investigation results.

Taiwan Again Participates in Japan's Annual Excon Seminar

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¶ 16. (S) Su told AIT that three Taiwan officials had participated in a February 6-8 export control seminar in Tokyo attended by over 100 delegates from 25 countries (ref F). Su said BOFT's presentation on its export license "cross-checking" arrangement with the United States (aka: the gameplan) evoked much interest from South Asian countries. Su also noted that the PRC had replaced the "wooden" official it sent last year who refused to answer any questions (ref E)

with two personable young women.

Banning Luxury Exports to North Korea

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¶7. (S) AIT again urged that Taiwan ban the export of luxury items to North Korea and presented the information from ref F regarding luxury items that Singapore has banned from exporting to North Korea. Su said he would contact Singapore officials for more details of what its ban entailed and that he would continue pushing for such a ban by Taiwan.

YOUNG